

**INTEROFFICE CORRESPONDENCE**

031594-13



DATE: March 11, 1994

TO: H. P. Mann, General Manager, Bldg. 111, X4351

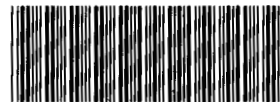
FROM: *P. W. Swenson*  
P. W. Swenson, Interagency Agreement Negotiation Team, T130D, X7211

SUBJECT: INTERAGENCY AGREEMENT (IA) NEGOTIATIONS MARCH 10, 1994 -  
PWS-039-94

IA negotiations were held at the Environmental Protection Agency (EPA), Denver Conference Center, on March 10, 1994. Attachment 1 is the meeting minutes and issues addressed at the meeting. Attachment 2 is the Environmental Restoration Management Technical Baseline Development Process briefing presented by Kerry Adams.

If you have any questions, please feel free to call me.

ahb



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Attachments:  
As Stated

cc:  
S. G. Stiger  
D. A. Ward

*Stiger*

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ADMIN RECCRD

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INTERAGENCY AGREEMENT (IAG)  
MEETING ATTENDEES  
March 10, 1994

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Attachment 1  
PWS-039-94  
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**ENVIRONMENTAL PROTECTION AGENCY (EPA)**

Martin Hestmark  
Lou Johnson  
Peter Ornstein  
Jim Woolford

**COLORADO DEPARTMENT OF HEALTH (CDH)**

Gary Baughman  
Dan Miller  
Joe Schieffelin  
Joan Sowinski

**DEPARTMENT OF ENERGY (DOE)**

Dave Brockman  
Rick DiSalvo  
Raymond Greenberg  
Mell Roy  
Rich Schassburger  
Anne Taylor

**EG&G ROCKY FLATS, INC.**

Kerry Adams  
Pete Judd (HNUS)  
Peter Swenson  
David Ward

**KEYSTONE -Facilltator**

Todd Barker  
Tim Mealey



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INTERAGENCY AGREEMENT (IAG)  
MEETING MINUTES  
March 10, 1994

**Negotiation Minutes**

IA negotiations were held at the Environmental Protection Agency (EPA) Denver Conference Center on March 10, 1994.

The Department of Energy (DOE) has retained the services of the Keystone Center as facilitators for the negotiation process. A general discussion was held with these facilitators prior to the start of the negotiations.

At the outset of the negotiation meeting, an overview of the facilitators role was discussed, and they committed to produce a set of draft "groundrules" for all parties. These groundrules will include, as a minimum, the following topics:

- Public Involvement
- Press Releases
- Caucuses during negotiations

The Environmental Protection Agency (EPA) expressed a concern that EG&G Rocky Flats (EG&G) should not be present at the negotiations. This directly contradicts, previously agreed upon groundrules, which made EG&G a non-voting observer at the negotiations. DOE objected to this concern, and eventually it was dropped, and will be addressed on a case by case basis. During further discussion, EPA elaborated that EG&G should not be present during discussion on contractor accountability. They expressed the opinion that EG&G's presence would represent a conflict of interest. The DOE attorney disagreed with this position, and it was agreed that the principal parties would have a conference call on this matter during the coming week.

Following this discussion, public involvement in the negotiations was discussed. At this point, EPA stated that the Citizen's Advisory Board (CAB) should be in attendance at most negotiating sessions. The apparent contradiction between this position, and their position on EG&G's attendance was not discussed.

Following a short caucus between chief negotiators, Dave Brockman relayed DOE EM-40's position on a one time payment of penalties. This subject is discussed in greater detail, below.

EPA agreed to discuss this matter with the Colorado Department of Health (CDH), as CDH was not present at the March 9, 1994 meeting between the EPA Regional Administrator and DOE EM-40.

Briefly, the DOE position is as follows:

1. Set a reasonable period for renegotiation
2. Decide which IAG milestones cannot be met during that time period
3. DOE pays a one time penalty for those milestones
4. The regulators agree not to seek enforcement penalties on those milestones during the renegotiation period.



A discussion on the "Full Funding" issues contained in key principle twenty-two followed. Discussion of this issue is outlined below.

Following lunch, Kerry Adams of Environmental Restoration Management (ERM) gave a briefing on the ERM Technical Baseline Development Process. The briefing package is attached. Following the briefing, further discussion of the full funding issue continued until the end of the day.

DOE's final position on the full funding issue was that Dave Brockman would discuss with Mark Silverman the possibility of developing draft agreement language that included DOE requests for full funding to the Office of Management and Budget (OMB). This is basically contrary to negotiating guidelines given to the Rocky Flats Office (RFO) by EM-1.

#### **Negotiation Issues**

At this time the scope of the negotiations is limited. Principal parties have not yet finalized the "key principles" due to a dispute over wording of key principle number twenty-two, which deals with the DOE requesting "full funding" for IA commitments. This dispute has become the focal point of the negotiating process to date, and could significantly stall or even terminate negotiations.

It is DOE's position that they must base all plans on funding levels specified in target figures agreed to between DOE Headquarters and the OMB. Historically, this has not included "full funding" for all IA commitments. This has resulted in missed milestones. Both the EPA and the CDH are insisting that DOE must affirm its commitment to cleaning up Rocky Flats by requesting "full funding".

Currently, both EPA and CDH have agreed to write letters to DOE stating their position on this issue. Based on those letters, DOE will come to agreement with OMB on what, if anything, can be done to resolve the issue. All parties feel that negotiation on other issues should be postponed until the "full funding" issue is resolved. There are, however, a variety of other tasks taking place.

In a meeting between Pat Whitfield (EM-40) and the EPA Region 8 Regional Administrator on March 9, 1994, DOE suggested that a realistic timetable for IA renegotiation be developed, and that DOE would be willing to pay a one time penalty for all IA milestones projected to be missed during that time period. This would be in exchange for relief from Notices of Violation (NOV) or other enforcement actions on those milestones during the projected renegotiation period. Based on this, EG&G is currently preparing a resource loaded schedule for the renegotiation project that will provide that time estimate. It is expected that this schedule will be completed in draft form by March 17, 1994.





EG&G has also been tasked to produce a negotiation strategy document. A previous strategy document was prepared by S.M. Stoller Corp. in late 1992, and was circulated for approval at DOE Headquarters. The new strategy document will also be prepared by Stoller, and will represent an update of the former document. A delivery date for the draft document will be set in the next week.

EG&G has prepared a work package with EM-40 funding for conduct of renegotiation work. This work package has received approval from the Contractor Technical Review Board, and the Environmental Restoration Change Control Board. It is scheduled for presentation to the Plant Change Control Board on March 18, 1994. Upon approval, this package will fund all negotiation related work.

In addition to the two tasks mentioned above, two other tasks are included in the work package. The first is to conduct a review of Environmental Restoration Management activities (ERM) in the spirit of key principle fourteen. This principle states:

Prior to negotiation of revised schedules and milestones, procedures and regulations applicable to the activities covered by the agreement will be reviewed by DOE with the ultimate goal of achieving consensus among the parties regarding the elimination of those that add no value or unnecessarily delay the clean-up process. This review process will be conducted with participation of regulatory agencies and stakeholders.

In order to fulfill the intent of this principle, a Transition Standards Identification Program (TSIP) working group will be assembled to construct an Activity Control Envelope (ACE) for ERM activities. The concept of necessary and sufficient standards based operation, and activity based planning will be briefed to the negotiating teams in the next few weeks, as a first step.

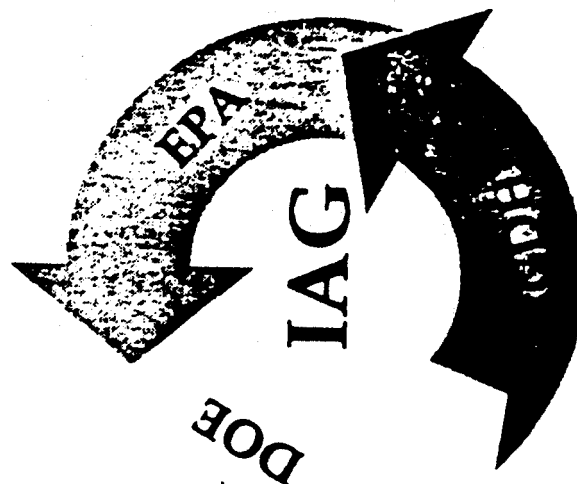
The final task in the work package is the completion of the actions contained in the Quality Action Team (QAT) action plans. These tasks relate to resolution of many of the problems with the current IAG.



# Rocky Flats Plant Major System Acquisition (MSA) Environmental Restoration Project

*discussion on the*

## BASELINE DEVELOPMENT PROCESS



March 10, 1994

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# OVERVIEW

## *Purpose*

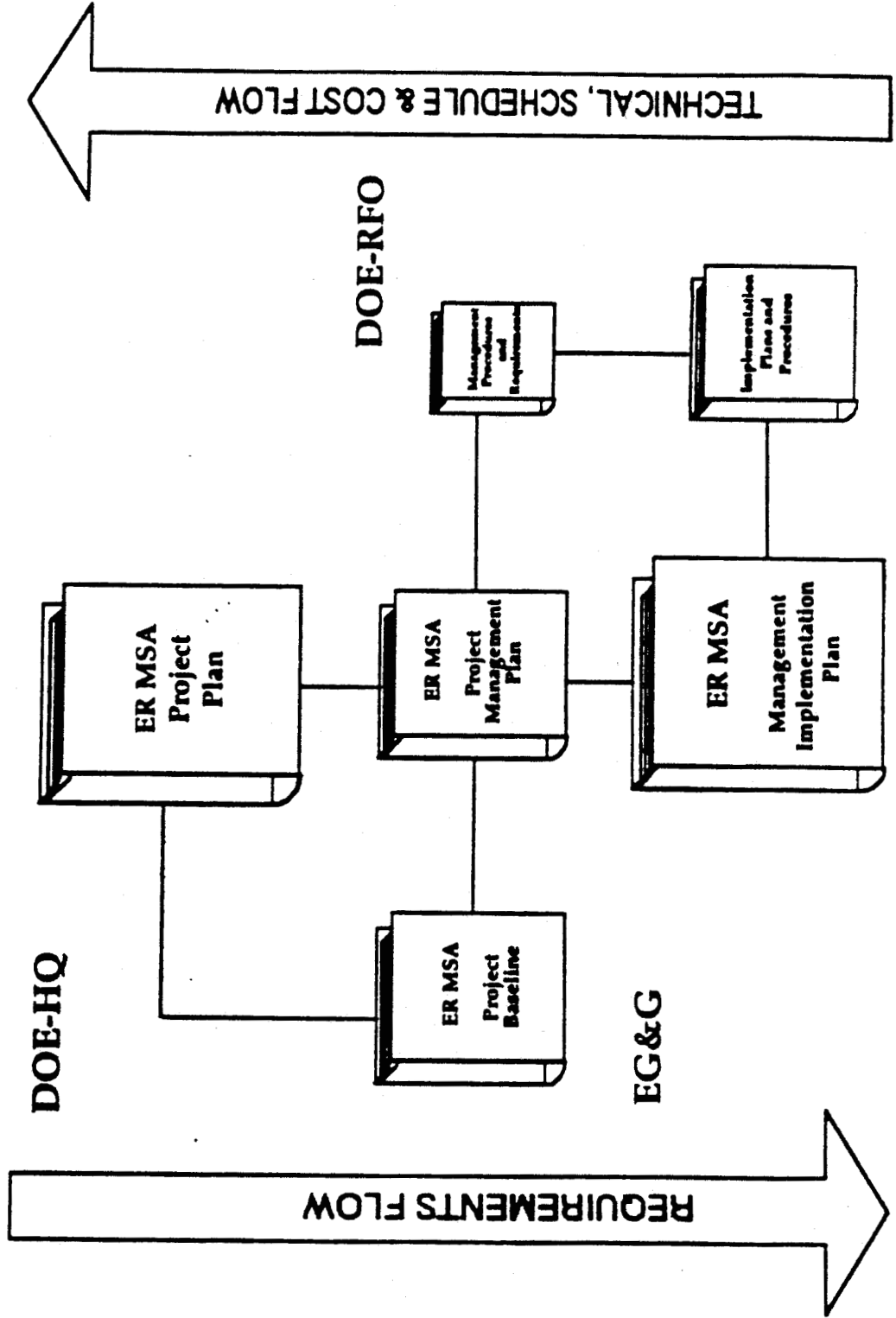
- To explain the baselining process for the RFP MSA ER Project

## *Includes*

- Development
- Authorization
- Execution
  - Change control process

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# DOCUMENT HIERARCHY



# ER MSA PROJECT PLAN

## DOE-HQ GUIDANCE TO DOE-RFO

- Provides overall management guidance to project participants
- Provides a summary of the elements of the project, including:
  - Mission
  - Project Risk
  - Procurement Strategy
  - Resources
  - Project Organization
  - Objectives
  - Management Approach
  - Schedule
  - Milestones

# — ER MSA PROJECT MANAGEMENT — PLAN

## DOE-RFO GUIDANCE TO EG&G

- Describes the plans, organizations, and systems necessary to perform the project
- Provides references to management procedures and requirements (MPRs) that define specific guidance for management of the project

# \_\_\_\_\_ ER MSA MANAGEMENT \_\_\_\_\_ IMPLEMENTATION PLAN

- Reflects how EG&G Rocky Flats plans to execute the project
- Identifies the procedures and plans necessary to properly manage the project
- Defines how the Project Baseline (PB) and Subproject Baselines (SPBs) are developed and controlled



# PROJECT & SUBPROJECT BASELINES

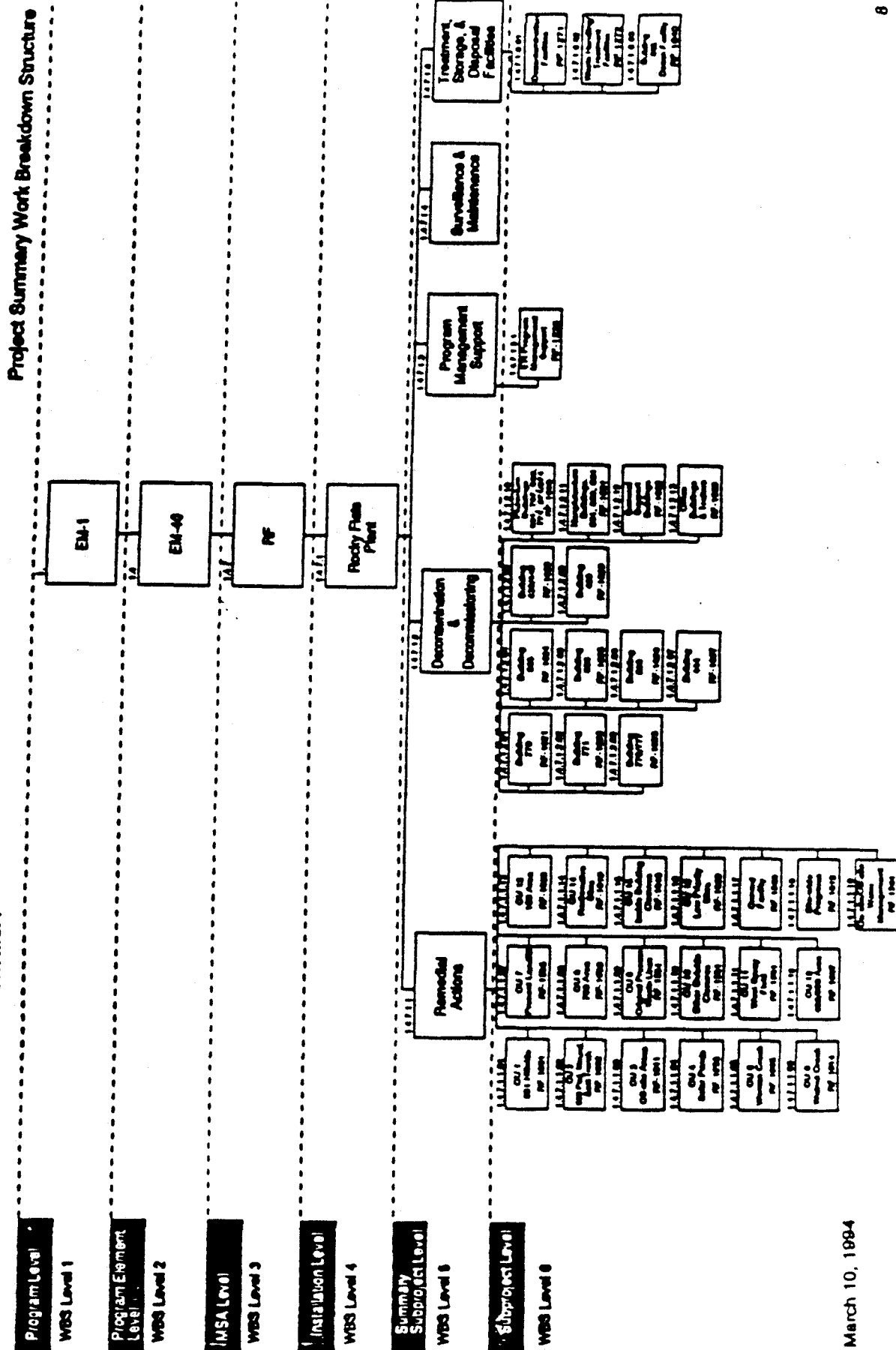
## PROJECT BASELINE

- Defines the project's technical, schedule, cost, and resource requirements

## SUBPROJECT ADS BASELINE

- Specific detail of projects technical, schedule, and cost balance
- Level appropriate for effective management
- Is the source from which all cost, schedule, and technical information is obtained
- Is the foundation by which performance is measured and changes are controlled

## Baseline Development Process



# BASELINE DEVELOPMENT

## TECHNICAL BASELINE

- Formally establishes functional objectives, work scope, technical approach, drivers, and assumptions

## SCHEDULE BASELINE

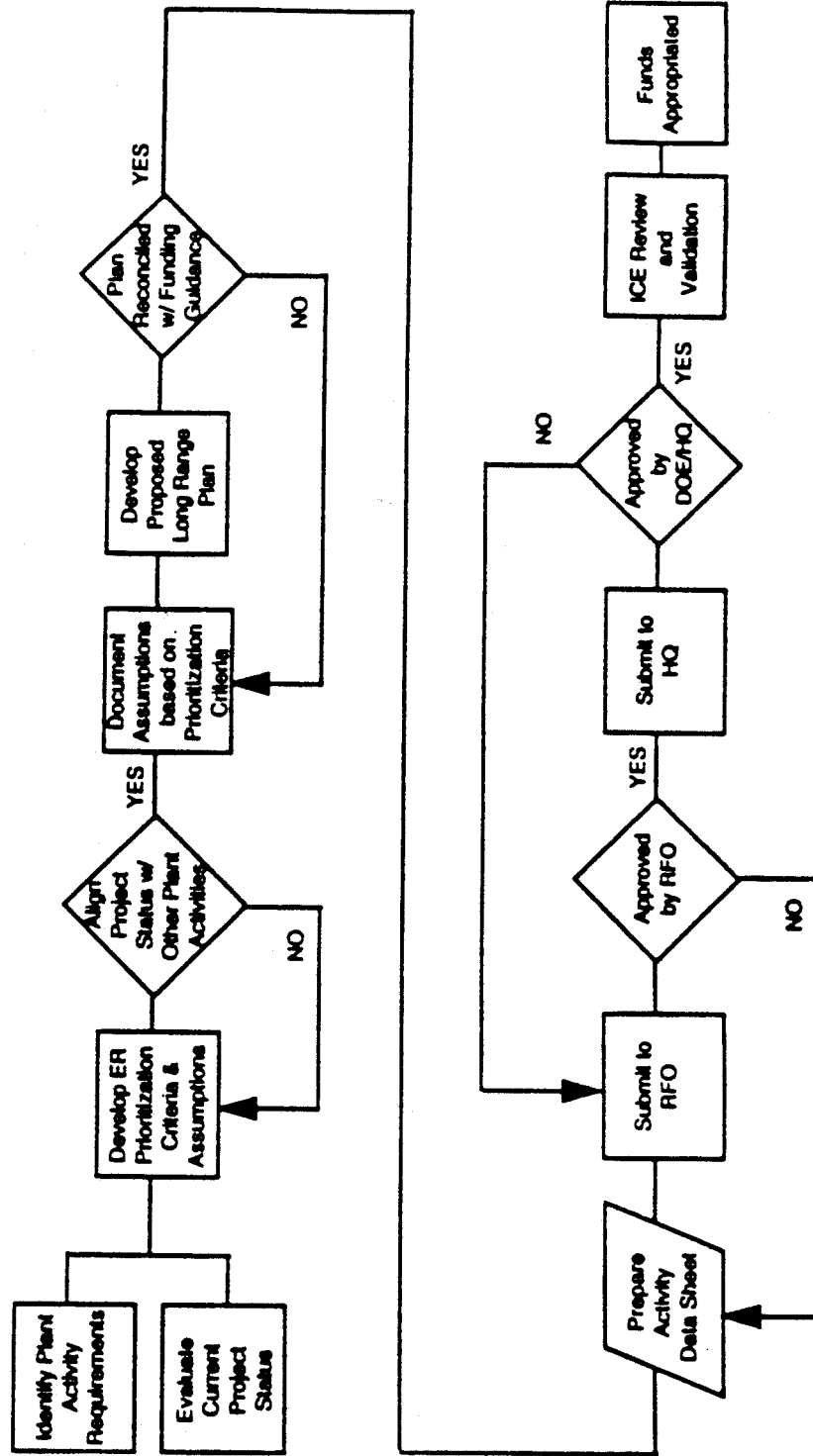
- Establishes a time-phased plan with a logical sequence of interdependent activities, milestones, assumptions, and constraints required to achieve the objectives of technical scope requirements

## COST BASELINE

- Defines the total cost at completion for accomplishing the technical work scope. It represents a time-phased budget developed through integration of cost estimates, assumptions, and the schedule baseline

Upon integration, these elements comprise the basis against which performance is measured and changes to the project are controlled

# CURRENT PLANNING PROCESS



# **BASELINE AUTHORIZATION**

- Baseline authorization ensures that after the work has been defined, organized, and planned, proper authorization is obtained prior to execution
- Work authorization is the process that:
  - (1) Authorizes the expenditure of resources against the baseline
  - (2) Prevents the expenditure of resources for work or procurement without appropriate approvals
  - (3) Terminates authority when funding limits or other limits of authority or constraints could be exceeded
- Baseline authorization is directly tied to the funding and budget allocation process
- Independent budget reviews and program validations are performed

# BASELINE EXECUTION

- Execution consists of monitoring, reporting, measuring, and initiating corrective action to ensure that proper control over the project is maintained
- Control of a project represents the adherence to baselines through evaluation, and is an iterative process
- Baseline changes occur due to:
  - Technical changes
  - Schedule changes
  - Cost and/or funding changes
- All Baseline Change Proposals (BCPs) are categorized according to appropriate classes

**Class 1 Changes** - Those proposed which impact IAG commitments, DOE milestones, etc.

**Class 2 Changes** - Those proposed which are within the threshold criteria defined and do not impact IAG or DOE commitments

**Class 3 Changes** - Those proposed which do not incur significant technical, cost, or schedule impacts

# CURRENT CHANGE CONTROL PROCESS

